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SUBJECT: IRAN: EU UNITY UNWINDS IN TEHRAN AND BRUSSELS

REF: A. LONDON 305
[1](#)B. BRUSSELS 214

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Classified By: Laurence Wohlers, Polmincouns, for reasons 1.4 (b) and (d)

[1](#)1. (S/NF) Summary: EU experts have begun to transpose UNSCR 1803 into EU policy guidance and regulation for adoption at the April 28-29 Foreign Ministers' meeting (GAERC). However, French and British Permreps may prefer to delay EU follow-up action on UNSCR 1803 for several weeks in the hopes that they can use the additional time to win Italian support for a UNSCR implementation package that would include new autonomous EU designations of Iranians engaged in proliferation activity. Among our Brussels contacts, we discern several distinct strands of thinking about Iran policy. One strand, which includes Council officials close to EU CFSP High Representative Javier Solana, while skeptical of Iranian intentions, believes that election cycles make it unlikely the EU Member States will reach any kind of agreement with Iran over the next year; they counsel using the rest of the year to stimulate an Iranian internal debate.

A second and small but vocal, chorus of EU Member States questions the efficacy of sanctions altogether and argues for greater engagement with Iran. Resentment of the EU-3 by some other member states is an additional complicating factor. Significantly, a large number of EU Member State Heads of Mission (HOMs) in Tehran seems to buy into the "engagement" approach. Finally, a large number of member states, probably a majority, demonstrates flagging enthusiasm in practice for sanctions, and is not eager to pursue the question. This poses serious problems for the British/French strategy to push for new measures at the April GAERC. An EU official who recently visited Tehran for the first time was chagrined to discover that the EU enjoys no/no credibility in Tehran on the nuclear issue. Open rifts between the EU-3 Ambassadors there are widely seen to reflect broader EU policy disunity. EU Member State ambassadors in Tehran, who enjoy influence in Brussels, generally find it difficult to transcend narrow national economic interests. Consequently, their reporting and recommendations on sanctions tends to undermine our objectives. End Summary.

EU Begins Work on 1803 Implementation

[1](#)2. (C) On April 4 EU experts (RELEX working group) began

transposition of UNSCR 1803 into EU policy and regulation. On April 1, the Slovene Presidency had circulated to Member States a European Commission drafted amendment to the current EU Common Policy (CP) on Restrictive Measures against Iran. The Slovene Presidency's primary objective is the approval of the new 1803-related legislation at the April 28-29 GAERC. On the other hand, the EU-3 (France, Germany and the UK) want the GAERC to simultaneously approve EU autonomous sanctions against Iranian individuals and entities involved in proliferation-related activity (REF A). Cyprus and Italy blocked further EU action on this list after it was endorsed in principle by EU-27 experts on February 6 (REF B). The Slovenes told us that they are not keen to append the designation list to the draft amendment for fear of angering the Italians.

Action in April, May -- or Both?

13. (C) Contacts at the French and British Missions in Brussels say their capitals prefer a strong amendment to the Common Position. Consequently, they indicated a willingness to delay EU action on UNSCR 1803 for several weeks on the understanding that it would allow them time to secure Italian agreement (post-April 14 elections) to move forward on the designation list. On the other hand, they are aware that the EU is running out of time because the sixty-day implementation report required under UNSCR 1803 will be due in early May. We also understand that the EU-3 and the Council Secretariat are interested in having the EU discuss options for "new" measures shortly after the abovementioned actions on 1803 and the designation list are completed.

Lower Ambitions and Maybe Wishful Thinking

14. (S/NF) With the notable exceptions of the UK, France, and the Netherlands, EU member states are not actively promoting

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tough new sanctions against Iran. Several EU contacts have asserted that the December 2007 release of the key findings of the U.S. National Intelligence Estimate (NIE) on Iran only served to reduce the sense of urgency among some member states. EU experts close to Solana further argue that the NIE "took the military option off the table" and increased the difficulty of negotiations with the Iranians. Some senior EU officials believe that election cycles make it highly unlikely of reaching any kind of agreement with Iran over the next year, and counsel using this period to try to stimulate an Iranian internal debate. They believe that the United States has the most leverage in this regard. Some have even gone so far as to claim that the EU would have no objection if the U.S. dropped the suspension condition for dialogue, and they have suggested that we entertain the possibility of accepting some form of limited enrichment capability. At the same time, these same officials readily acknowledge that it may not be possible to obtain a comprehensive deal from Iran and that, even if we did, Tehran would not honor it. Separately, Japanese diplomats here said that during the April 14 visit of senior EU officials to Japan, Vice Foreign Minister Sasae will reject any proposal to soften the enrichment issue or draw analogies between Japan's civilian nuclear capability and Iran's nuclear ambitions.

EU Dynamics Worsening

15. (C) The souring relationship between the EU-3 and the rest of the EU is also a negative factor in the EU's Iran debate. Smaller member states, including the Slovene Presidency, are sympathetic to Italy's irritation with the EU-3 and the "first among equals" perception they have created within the EU. According to a French contact, Italy has rejected the EU-3 as a legitimate format for receiving information so that the three must now provide separate demarches in Rome. Furthermore, EU Member States are now questioning the unity of the EU-3, as the German diplomats keep their own counsel

in policy debates, and are often unhelpful in technical discussions of sanctions.

¶16. (C) Finally, there is a small, but vocal, chorus of EU member states that question the efficacy of sanctions against Iran. Austria, Italy and Cyprus are in this group which argues that sanctions are not producing positive results as Iran has yet to suspend its nuclear activities. Moreover, many in the EU, including senior advisors to Solana, believe it would be strategically foolish to take sanctions in the energy sector that would allow Gazprom to take over the Iranian gas production facilities. French diplomats here believe that EU member states could be more open to arguments for tougher action based on a common interest in supporting High Rep Solana's diplomacy, i.e., Solana could use the leverage of a new and tougher EU Common Position in his next round of talks with Iran.

Tehran Sees EU Disunity

¶17. (S/NF) According to a Council Secretariat official (strictly protect) who recently returned from three weeks of consultations in Tehran, EU policy toward Iran enjoys no/no credibility in Tehran due to the incoherence of European diplomacy in Tehran. Iranians believe that apparent divisions among British, German, and French Embassies in Tehran reflect a broader EU policy disunity. EU statements emanating from Brussels cannot overcome this perception. (Comment: Our EU contact's observation tracks with the fact that Iran's Chief Nuclear Negotiator Jalili was surprised by the tough EU stance on the nuclear and human rights issues during his trip to Brussels in March.) Furthermore, our contact observed that even the EU-3 "does not exist in Iran" not least due to the fact that the German and UK Ambassadors are not on speaking terms. The German Ambassador in Tehran reportedly fails to toe the P5 1 line in Tehran, and instead favors greater engagement and resumption of normal relations with Tehran. Our contact observed that the German Ambassador's views were prevalent among European diplomats who suffered a form of "clientism" toward their host government and society. In our EU contact's view, such bias permeated some EU Member States' reporting and recommendations to capitals on sanctions policy. (Note: Heads of EU Member States' diplomatic missions (HOMs) have a significant political and technical impact on autonomous EU

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decision-making. in many areas including Iran policy. End Note.)

¶18. (S/NF) Moreover, several EU member state contacts have remarked to us that EU Ambassadors are pursuing contradictory aims on the ground in Tehran, in which national commercial and economic interests are placed before collective Western political and security objectives. Incompatible security and economic aims have resulted in a form of 'moral hazard' on sanctions policy among EU Heads of Missions in Tehran. Our Council Secretariat contact who visited Tehran last month intends to recommend to High Rep Javier Solana and European Council Secretariat Director General Robert Cooper that all EU debate on Iran be based on policy recommendations from Brussels and capitals, and not/not from EU Heads of Mission in Tehran.

¶19. (S/NF) EU HOMs hold similar assessments of the regime's intentions, convinced that the Iranians are lying about their nuclear program and want a nuclear military capability. The division among HOMs exists in preferred policy responses. The German Ambassador and others in his circle believe that Western sanctions are pointless and self-defeating, especially in the face of Asian and Arab non-compliance. They also believe that an Iranian nuclear capability may be inevitable (short of a dramatic military intervention), and that the West should patiently wait for a better regime years down the road. Conversely, the group led by the UK and French Ambassadors support tough sanctions to stymie Iranian

military efforts and raise the costs of non-compliance with UNSCRs. (Note: There is no European Commission Delegation representation in Tehran.)

MURRAY

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